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SUBJECT: NEW UTETE LAND AUDIT REPORT OFFERS LITTLE

1. (SBU) Summary: The Utete commission report on anomalies in the land resettlement program, widely anticipated as an indicator of how the GOZ will address the chaotic situation in the agricultural sector, is a non-event. Despite stringent attempts to keep this document secret, Post recently obtained a copy, which may indicate that the "leaked" report will soon be widely distributed. While some rumors had indicated that the Utete report would be "explosive" if actually implemented, a careful reading discovers nothing new. The report acknowledges that some problems regarding multiple farm ownership by beneficiaries, political inconsistency in the allocation of land, and lack of funding for input schemes for new farmers must be resolved. Further, the report concedes that resolution of those pesky outstanding legal details (such as inconsistent application of procedures, discrepancies between the law and the constitution, and the issue of title) must be addressed. However, this report is nowhere near as explosive as the permanently unpublished Buka report, which "named names" of the political beneficiaries (including a number of ministers) who had manipulated the system by seizing multiple prime farms -- lock, livestock, and standing crops. This report, by contrast, whines plaintively about "the activities of certain persons," "certain prominent persons," and even "some Governors... themselves" who are possibly guilty of engaging in "political interference" in the allocation process. This latest commission report continues to blame drought, outside political interference, and ephemeral Western sanctions for the agricultural mess which Zimbabwe must now address. End summary.

"New and Improved" Numbers

2. (SBU) Despite continued claims in the GOZ-controlled press that 300,000 families have been settled under the A1 (communal land decongestion) model, and 54,000 families have been settled under the A2 (de-segregation of communal farming) model, the numbers reported by the Utete commission are considerably lower. The Utete report states that only 127,192 families have been settled on 4,321,080 hectares under the A1 model (representing a 97% "uptake" rate), and 7,260 beneficiaries have been settled on 2,198,814 hectares under the A2 model (average of 66% "uptake"). These numbers should be balanced against an estimated 300,000 displaced commercial farm worker families. At any rate, the new, realistic, downward-revised numbers are one of the few indications of credibility in the entire report.

3. (SBU) Other signs of credibility include suggestions for: the Grain Marketing Board's monopoly on grain purchases and sales to be partially de-controlled; renewed efforts to create a single farmers' union; new efforts to create private sector partnerships with agro-businesses; efforts to develop an Agricultural Development Bank to fund farmers at all levels; and efforts to increase skills among the new farmers. However, in a theme which runs throughout this report, there is no advice as to how to implement even the most self-evident strategies. One of the most significant recommendations is that the GOZ should reinvent the wheel and once again split the Ministry of Land, Agriculture and Rural Resettlement into two bodies: the Ministry of Agriculture and a proposed Ministry of Land Affairs. However, there is little hope that a series of small, isolated actions (unsupported by massive infusions of foreign exchange) can turn the land resettlement program, as it currently stands, into a success.

White Commercial Farmers Remain A Factor?

4. (SBU) One of the more interesting elements of this report is the "documented" number of white commercial farmers remaining in the agricultural sector. Despite continuous and ongoing listing of farms for acquisition (the latest lists of 81 farms were "gazetted" on October 3, 2003), the report

presents a picture of some 1,377 farms remaining in white hands. The report cites this as "about 3% of land in the country, excluding land held by corporate entities." The Commercial Farmers Union (CFU) and Justice for Agriculture (JAG) concede that there are still a number of white farmers on the land, but both claim that many of these farmers are merely holding out until the last possible moment. Some of these commercial farmers are still in operation, and some are attempting to farm after voluntary sub-division of their property, but some are cultivating only a fraction of their land, while others are simply occupying their homestead despite ongoing attempts (both legal and extra-legal) to evict them. These two farmers' groups agree that only about 600 former commercial farmers are still fully in possession of their land. In fact, even the Utete report is a bit ambiguous on the status of its claim, stating that "The presence or otherwise of these farmers on the land could not in all cases be verified at the time of the compilation of this Report," which raises the question of what other basis could be used for such a figure.

One Man, One Farm -- Sort Of

15. (SBU) The biggest surprise, after the brutal frankness of the Buka report (produced by a commission headed by Government minister Flora Buka), was the bland tone taken by the Utete commission on the issue of multiple farm ownership by new beneficiaries. Whereas the Buka report listed numerous ministers who had acquired two, three, or even more prime pieces of commercial farm property through the resettlement program, the Utete report barely acknowledges this. Instead, the Utete report repeatedly claims that the decongestion of the rural areas has been compromised by A1 settlers who receive a new A1 plot without returning their original communal plot. This is undoubtedly true; the infrastructure, including availability of schools, clinics, roads, and water, in the newly resettled A1 areas is grossly inadequate. Many A1 settlers have moved to their new plots while leaving wives and school-going children on their old communal holding. In addition, many A1 settlers have been "relocated" from one acquired farm to another as new claimants or errors in allocations have emerged, convincing many to retain their communal entitlement as a backup. The report calls for enforcement of the one man, one farm concept, which is cast not as a policy, but rather as a "guideline" for sharing a scarce resource between the numerous land-hungry peasant farmers. Any hope that this report would compel the worst A2 offenders to relinquish part of their spoils is apparently futile.

16. (SBU) The report states, however, that "Any beneficiary of the land resettlement program whether on A1 or A2 models with more than one piece of land is expected to surrender excess land." It goes on to claim that a total of 24,562 hectares, which will be re-allocated to A1 settlers, have actually been recovered. The commission suggests that "one family, one farm" might be a better way to address the situation, but even so it cites the difficulties of enforcing compliance. For instance, the report addresses the complications inherent in polygamous marriages and marriages where both spouses are ex-combatants, and where the wives would therefore want to maintain "ownership" in their own right. In its typically noncommittal fashion, the report continues that "Government has still to firmly pronounce itself on this matter."

17. (SBU) Many of the former commercial farmers have used this "one man, one farm" mantra to justify their own legal challenges to compulsory acquisition. The report, however, states that "In the case of a single owned farm being acquired due to its being contiguous to a communal area, Government undertook to provide the affected farmer with another elsewhere around the country." Currently, neither of the farmers organizations are aware of any white commercial farmer receiving such an offer. In fairness, it is unlikely that many commercial farmers would accept this offer, since it implies that any beneficiary would have to voluntarily relinquish claim and title to the first farm.

Land Subdivisions -- or Lack Thereof

18. (SBU) The report offers a fascinating glimpse into the power struggles which must have consumed all players in this process. Provincial governors complain that they have been ignored, and cite for support the situation regarding voluntary subdivision of white commercial farms. Apparently, some provincial governors (such as Governor Msipa of the Midlands province) were fairly assertive about negotiating farm reductions with some of their larger landowners. Many landowners actually signed over either a second farm, or a portion of their single farm, via a GOZ-generated LA3 form. Many others complained that they were never given the

opportunity to reduce their holdings. Most farmers who did voluntarily yield part of their land did so under the belief that they would then be allowed to stay on their reduced landholding, and in their own home.

19. (SBU) However, the Ministry of Land did not formalize any of the voluntary reductions, and in fact has allegedly said that it would not do so, as it had not participated in the process. In the meantime, many farmers who had submitted to the authority of the land resettlement program found themselves evicted, either through a continuation of the legal process or by gangs of war vets. In typical fashion, the report advised that "a conclusive position be taken on the allocation of land subdivisions to which the LA3 forms were designed to apply," without advising what position would be most beneficial. A response from the GOZ, incorporated into the report, states that an exercise to settle this issue would include interviewing farmers still interested in pursuing farming, after which the Land Acquisition Act will be amended. Under these amendments, "Affected farmers will be given offer letters and allocated either parts of their original farms or given alternative land elsewhere in the country."

Legal Issues, Including Title

10. (SBU) This report acknowledges the legal morass surrounding the land resettlement exercise. Many former commercial farmers have built legal cases by demonstrating that their land did not fit into any of the categories identified for compulsory acquisition -- derelict land, underutilized land, land under multiple ownership, foreign-owned land, or land adjoining communal areas. Others have cited their exemption under one of the published categories -- church-owned land, agro-industrial or plantation land, land protected by a Bilateral Investment Promotion and Protection Agreements, land designated as a Export Processing Zone, or projects approved by the Zimbabwe Investment Center. The report attempts to bypass these original criteria by stating that these were never "policies," but merely guidelines ("neither a legal requirement nor conclusive criteria") to help the Land Identification Committees to prioritize land for acquisition.

11. (SBU) In addition to admitting errors in processing acquisitions and allocating plots, the Commission concedes that the entire process is not quite constitutional. "Above all, there was a major contradiction observed as between the 1992 Land Acquisition Act as amended, which provides for the compulsory acquisition of land, and the provision embedded in the Constitution which requires that such acquisition be confirmed by the Administrative Court. This contradiction ought to be removed (last sentence bold and italic in original)."

12. (SBU) The issue of title to the newly acquired land continues to present difficulties for the GOZ. The report recognizes that leases or "other forms of legal title" are necessary to allow A2 farmers to finance commercial agriculture. However, the Commission seems to sidestep the issue of competing claims by existing title deed holders, and recommends long-term (and possibly inheritable) leases several times in the lengthy document. In fact, the report states several times that A2 beneficiaries should only be leased land on a complete cost-recovery basis, and suggests passing the complete burden of compensation onto the new farmers. The report calls several times for comprehensive assessment of all improvements, including houses, barns, irrigation systems, and moveable equipment, so that a proper lease price can be determined. Regarding A1 beneficiaries, the report states that "the issue of tenure is still under consideration, although indications are that the tenure system is likely to be similar to the one obtaining for communal areas (e.g., no bankable title)."

13. (SBU) The unspoken conflict is that the GOZ seems determined to maintain control of the allocations in a manner which would make title -- even a transferable lease -- useless. At various points throughout the report, the Commission emphasizes the need for both A1 and A2 farmers to submit to the GOZ's need to control agricultural planning, and its right to assess and confirm productivity. At the same time, the report concedes that investment in property will only flourish where the landowner has the security of knowing that he (or his financier) will reap the benefits of his investment. While the GOZ is understandably concerned with food security, any system of title or lease which allows the holder to be dispossessed based on the whims of a government functionary defeats the purpose.

Former Farm Workers Blamed, Dismissed

14. (SBU) The lack of attention to this vulnerable group is startling. The report claims, several times throughout the text, that the former farm workers fall into one of three groups: some farm workers were given A1 plots; some have found employment with the new farmers; and some returned to their rural homes or "opted to ... return to their country of origin" (despite the fact that many are third- or fourth-generation Zimbabwe-born). The report advises that most in this third category remain in their former compounds, a festering problem waiting for GOZ action. In several instances, the report blames much of the lawlessness (illegal squatting, illegal gold panning, crop theft, vandalism, poaching, misuse of farm equipment, and "general criminal activities") on the farm workers. In several others, the report states that "they were reportedly unwilling to work for the newly resettled farmers, preferring to be engaged in gold panning activities which they considered to be more lucrative. Whilst unwilling to take up employment, they remained a burden to the new farmers in terms of water and electricity usage..." It must be noted that according to GAPWUZ (the union previously representing the bulk of commercial farm workers), the "new farmers" were in January strenuously fighting an increase in the minimum wage from around Zim \$5000/month to \$7,500/month (an increase from US \$3.36 to US \$5.05 per month).

15. (SBU) The total number of the approximately 300,000 former farm workers who reportedly received some land in the program is detailed below.

Province	Total workers	Total beneficiaries
Manicaland	90,000 (est.)	1,080
Mash Central	not provided	"a small number"
Mash East	not provided	"some"
Mash West	not provided	"some," but very few
Masvingo	not provided	128
Mat North	not provided	225
Mat South	not provided	361
Midlands	not provided	377
	Total	2,171

----- Status of Conservancies -----

16. (SBU) Many of the wildlife conservancy landowners, including several Amciti couples, had hopes that the Utete commission would help resolve the ongoing threat to the peaceful possession of their property. Unfortunately, nothing in this report offers any respite. While the report decries the "attempt to subdivide these areas into individual plots which would clearly be unviable," there is no suggestion that land ownership revert to the existing model. Rather, the Utete commission recommends "a corporate-type model (of ownership) with a component to provide for local community participation." "A2 beneficiaries would be allocated shares in and participate in managing the entities running the Safari farms, Plantations or Conservancies."

17. (SBU) The report also addresses the situation of illegal occupiers in Gonarezhou, the national park to be incorporated into the Zimbabwe-South Africa-Mozambique Transfrontier Park. Although the governor of Masvingo reportedly "settled" the families in Gonarezhou, the report states that "Government stance on National Parks and Gazetted Forests is that such areas should be exempted from acquisitions and resettlement. With particular reference to the Gonarezhou National Park, the Provincial Governor of Masvingo... is in the process of finding alternative land to resettle the families currently occupying" the park.

----- Claims of Increased Productivity Misleading -----

18. (SBU) There are several credible and rational assessments included in this report, but few concrete suggestions for meaningful action. These are interspersed with unexpected claims of high crop production and beneficiaries making "full use of the land allocated to them." In one case, the GOZ's own figures belie its previous claims. According to this report, in the 2000 growing season, when most commercial farmers were still planting and harvesting, commercial farms had 160,577 hectares under maize, which produced 680,942 metric tonnes of grain. In that same year, communal farmers had 1,217,115 hectares under maize, which produced 808,709 metric tonnes. While it is clear that seven times more communal land than commercial land was cultivated for maize, it is not true that the communal farmers largely carried the burden of feeding the country (a statistic often repeated and seldom supported). Elsewhere, the report claims that "Many of those (A1 beneficiaries) whom the Committee met stated that even

against the unfavourable weather conditions in the 2002 to 2003 agricultural season (note: when rains were delayed, but average in amount, end note), they had harvested better yields than in the past." This could be entirely true yet completely misleading. Even when a communal farmer increases his yield from .66 tonnes/hectare, he still does not begin to reach the commercial productivity of 4.2 tonnes/hectare.

19. (SBU) In fact, the report claims, "For both old and new farmers, but particularly the latter, the prevailing macro-economic environment, and in particular the relentless capital equipment and input price inflation, represented a serious challenge if not a major obstacle to the significantly increased production on the land envisaged under the Programme." It is unclear why the GOZ would have envisaged such an increase in production by deconstructing a highly sophisticated and functional system.

COMMENT

20. (SBU) This is a bland and sanitized report. Given the contents, there is little explanation for the GOZ's great secrecy. The tone combines a selective history lesson, outdated anticolonial jargon, platitudes, blame-apportionment, and self-absolution. The style is filled with passive voice and arms'-length references, as if the commission is commenting on remote and distant events. The international community was looking to this report as an indication of whether the winds of reform are blowing. Based on this report, they are not. The three elements which must be addressed in order to "reform" the crisis-ridden agricultural sector are developing a viable economic model, tackling the issue of compensation, and reining in politically-connected A2 abuse. Not one of these issues has been confronted. The fact that the Buka report, which could have formed the basis for reform, has been summarily shelved, is telling.

21. (SBU) The report raises more questions than it answers. Despite claims that wholesale gazetting of new properties is over, new lists appear in the GOZ press on a weekly basis. Regarding indigenous landowners who bought multiple farms before the resettlement program, the report states that "At this state, they are, also not targeted for compulsory acquisition." The report hints at a third model of resettlement, euphemistically entitled a "Peri-Urban/Green Zone Resettlement Scheme," which is being finalized even now. Although this is described as a way to "create space for the development of peri urban agriculture or green belts around urban areas...", there are insufficient details as to what this will entail.

22. (SBU) Although the report takes an obligatory swipe at "Western sanctions" which are destabilizing the economy, it does concede that national macro-economic instability has adversely affected smooth implementation. That being said, it makes no suggestions for repairing the macro-economic environment. The report addresses the problem of bringing all farms into compliance with the maximum farm size, but offers no recommendations as to how to combine this with its proposed farm-size flexibility. The Executive Summary states, "it is also critical that value addition to agricultural produce be undertaken as a matter of deliberate policy. For example, there is no plausible reason in the country exporting bulky cotton lint instead of weaving it to boost the textiles and clothing industry." The unspoken plausible reason is that few independent investors would want to brave the perils of the Zimbabwean economy when investing in exports from AGOA-eligible countries is so much less risky.

23. (SBU) In places, the report does not refrain from utter falsehoods -- as in its claims that the GOZ fulfilled, but Britain did not honor, their respective commitments under the September 2001 Abuja agreements.

24. (SBU) The Executive Summary ends with the claim, "There can be no alternative to the Programme's success... Neither stagnation nor regression can be contemplated." Therein lies this commission's raison d'etre: justification of a fundamentally flawed program, the enormous costs (social, political and economic) notwithstanding.

SULLIVAN